

1938

# CHURCH, ORPHANAGE, AND COLLEGE TAX EXEMPTIONS

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**CHURCH, ORPHANAGE, AND COLLEGE TAX EXEMPTIONS.** Senate Constitutional Amendment 24. Amends Constitution, Article XIII, sections 1a, 1b and 11a. Extends exemption from taxation of buildings used solely and exclusively for religious worship to include all furnishings and other personal property therein; and of buildings occupied by institutions sheltering more than twenty orphans or half-orphans, receiving State aid, to include all personal property used in connection with such institutions. Denies exemptions to church property, to such orphan institutions, and to educational institutions of collegiate grade, unless those claiming exemption comply with prescribed statutory procedure.

YES

NO

(For full text of measure, see page 46, Part II)

**Argument in Favor of Senate Constitutional Amendment No. 34**

**Argument Against Senate Constitutional Amendment No. 34**

This amendment would clarify the law allowing the exemption from taxation of certain property of colleges, orphanages and churches, by requiring that all of those institutions claiming exemption from taxation under the existing provisions of the Constitution must comply with the statutory procedure prescribed with respect thereto in order to obtain their exemptions. The codes already provide for the procedure to be followed by claimants of exemptions under these provisions of the Constitution, but the district court of appeal recently held that because of the fact that this procedure is not prescribed by the Constitution itself, it need not be followed. Up to this time it has been the universal practice for all such claimants to follow the procedure prescribed; that is, to file with the county assessor affidavits and returns upon proper forms prescribed by the Board of Equalization; but since the decision mentioned, the door is now wide open for those claiming such exemptions to refuse to follow the requirements of the codes. It being absolutely necessary that we have some orderly method for the claiming of these exemptions, it is desirable to amend the Constitution, so that it may, in effect, "catch up" with and ratify the laws already passed upon the subject, thus restoring order to this phase of tax collection.

In addition to the primary purpose of the amendment, it also provides for the exemption of furnishings and personal property used in connection with orphanages and churches. This is also merely a clarifying provision because of the fact that under the present constitutional exemption of churches and orphanages the personal property is never assessed but is considered as being exempted along with the real estate.

**THOMAS F. KEATING,**  
Senator, Thirteenth District.

No further tax exemptions should be permitted or allowed. Adequate tax exemptions are already permitted the institutions to whom this measure seeks to give further tax exemptions.

Any further tax exemption will establish a dangerous precedent that will likely lead to other claims for tax exemptions from other individuals, groups and organizations, similarly situated or equally deserving. Consequently, taxpayers should not be required to bear any additional tax burden, removed from a privileged class and placed upon them.

While it is true that our tax officials, whose duty it was to collect the tax upon the furnishings and other personal property of the institutions named in this measure, have failed in their duty by neglecting to collect these taxes that were legally due our local and State governments, and as a result other taxpayers were required to pay a larger tax, yet, such breach of duty does not excuse or justify the submission of this measure to the people to approve and ratify the failure of such tax officials to uphold the law and faithfully to discharge their sworn duty in this respect. Nor does such fact justify further tax exemptions, as will be authorized if this measure is approved.

Moreover, the decision of the California District Court of Appeals does not require the enactment of this amendment to our State Constitution, as has been claimed by proponents of this measure. That decision merely held the State Legislature had no power to require, as it had theretofore done, institutions to file a claim for tax exemption in those cases where the Constitution gave or permitted tax exemptions to such institutions.

We do not require claims for tax exemption to be filed or made if we are not subject to an income tax, sales, use, or many other kinds of taxes, unless, of course, a tax is due until

we claim an exemption extended, so why require institutions to file a claim for exemption from x when the State Constitution already provides, in such cases, that they are and shall be exempt from the payment of the tax?

Requiring, unnecessarily, the filing of claims for tax exemption will lead to duplication of existing records and added expense, which must be borne by the other taxpayers.

Further, requiring institutions to file claims for exemption will result in much confusion and inequality. Many institutions, due to failure to comply with red tape requirements, or

through oversight, will be denied tax exemptions extended to other institutions similarly situated.

Prevent further tax exemptions, and avoid unfairness and inequality in tax exemptions between institutions. Vote "NO" on this measure.

Respectfully submitted.

ERIC LYDERS,  
Attorney,  
200 Bush Street,  
San Francisco, California.

(Party one)